

This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 03 KUWAIT 004125

SIPDIS

USDOC:4520/ITA/MAC/OME/CLOUSTAUNAU/COBERG
USDOC:3131/USFCS/OIO/ANESA/TGILMAN

E.O. 12958: N/A

TAGS: [ECON](#) [ELTN](#) [EPET](#) [ENRG](#) [BEXP](#) [KU](#)

SUBJECT: MAJOR PROJECTS WORTH BILLIONS OF U.S. DOLLARS ARE
READY FOR LOCAL AND INTERNATIONAL CONTRACTORS

Following is a partial listing of key major projects for
which U.S. firms may be especially competitive.

Bubiyan Port

1. Name of Project: Bubiyan Port
End-User: Public and private sectors jointly.
Cost: \$3.47 billion (over 30 years)

Scope of Work:
-Building 4 piers (platforms) by 2008 with a total one
million containers/year capacity
-Building 3 more piers by 2016 with a total 1.5 million
containers/year capacity
-Building 2 more piers by 2025 with a total 2.5 million
containers/year capacity

The Government of Kuwait will build the infrastructure and
piers (\$ 1 billion) while the private sector will build
loading and unloading platforms, piers extending in the sea
and will be in charge of the container platforms and
transport systems such as railways, bridges, and express
ways, if needed.

Consultants: Booz, Allen & Hamilton Inc. (U.S.) and the
Kuwaiti Company for Consulting & Investment (Kuwaiti)

Status: The Council of Ministers formed a committee in
November 2004 to follow up. The Minister of Public Works
chairs the Committee with members including the Ministers of
Energy and of Commerce and other relevant ministers. The two
consultants above are currently conducting the feasibility
study. Design, financial studies and tender documents will
be completed next year. Actual work will start early 2006.

Failaka Island

2. Name of Project: Failaka Island Development Project
End User: Kuwaiti Islands & Mega Projects Development Team
Estimated Cost: \$ 670 million

Consultants: Systems Development & Project Management
(Kuwait) - ((Contact: Eng. Ali Kahil, General Manager)) and
Hill International (U.S.) ((Contact: Mr. Akram Okaili,
Director of Kuwait Projects))

Background: The project aims at rehabilitating Failaka Island
to develop it into a landmark tourist attraction free of
pollution. The project will include tourist, commercial and
entertainment facilities. The project comprises three phases:
preparing the infrastructure, housing phase, and the tourist
phase.

The end user announced the pre-qualification notice six
months ago. The project will be submitted to pre-qualified
companies for them to present their financial, economic and
technical studies relevant to the project. The short list
includes 7 companies at this time.

Commercial option: BOT basis

Status: TOR are completed and to be submitted by the end of
2004.
Bids will be submitted in 3/2005.
Award: Expected in 8/2005.
Commencement of construction: 10/2005
Completion: Year 2010

Jaber Al-Sabah Bridge

3. Name of Project: Jaber Al Ahmad Al Sabah Bridge (named
after the current Amir), formerly called the Subbiya Bridge
Project
End User: Ministry of Public Works and Housing
Estimated Cost: \$ 1 billion plus

Consultant: Cowi Company (Danish)
Length: est. 30 KMS (18 miles)
Course: From Subbiya to the Al Ghazali Bridge across the bay

Background: Ministry of Public Works selected the Danish consultant Cowi to conduct the feasibility study of the project and to determine its course. Cowi completed the study and offered several options for government to select from. Finally, it was agreed to link the bridge with Al Ghazali Bridge.

Status: The pre-qualification bid for international designing contractors who have experience in building such bridges will be announced in December 2004.

Funding: The project will be government-funded.

Contact information: Mr. Abdulaziz Al Kulaib
Undersecretary, Ministry of Public Works

Tel: (965) 539 5526

Fax: (965) 539-5448

E-mail: aalkulaib@hotmail.com

Fourth Refinery

14. Name of Project: a fourth refinery (without any specific name at this time)

End-user: Kuwait National Petroleum Company (KNPC)

Scope of work: Building a new refinery to increase Kuwait's refining capacity about 30 percent by 2010. The study was completed in November 2004. Designs and the exact technology will be selected later. The project will:

- Increase the refining capacity of Al Ahmadi refinery by 70,000 barrels/day up from the current 450,000 barrels/day;
- Close the oldest refinery in Kuwait whose refining capacity is about 200,000 barrels/day; to be coordinated with the construction of this fourth refinery;
- Modernize Mina Abdulla refinery whose current refining capacity is 270,000 barrels/day; and
- Add crude processing units, transforming units, and hydrogen-treatment units most likely at Al Ahmadi Refinery.

It is worth noting that the present refining capacity of the three existing refineries is 930,000 barrels/day, to be increased to 1.330 million barrels/day by 2010.

Project Manager: Fluor Daniel (Project Management Services Contractor)

For inquiries or information about this project, please contact:

Mr. Bader Al-Sumait
Manager, Corporate Planning
KNPC, Kuwait

Tel: (965) 244-3025

Fax: (965) 242-9088.

Crude Storage and Export Facilities Pier

15. Name of Project: Crude Storage and Export Facilities Pier

End-User: Kuwait Oil Company (KOC)

Cost: \$ 850 million

Scope of Work: The project aims at establishing storage and export facilities with a storage capacity of 11.4 million barrels.

Status: Project was re-tendered. Eight out of 18 pre-qualified companies participated in the bid, including three American companies (Bechtel, KBR, and Aker Kvaener). The closing date for submitting bids is February 17, 2005. The project, which was opened on an Engineering, Procurement, and Contracting (EPC) basis, comprises the following packages: general works, storage tanks, gravity lines, pumps and metering systems, and offshore works. Parsons Engineering did the preliminary design and engineering works.

Point of contact:
Mr. Farouk Al-Zanki
Chairman & Managing Director
Kuwait Oil Company (KOC)
Tel: 965 3982929
Fax: 965 3982233

Modernization of KOC Facilities

16. Name of Project: Modernization of KOC Facilities

End-User: KOC

Cost: \$800 million plus

Scope of Work: Replacing existing oil and gas transporting lines in the south and southeast of Kuwait from underground to ground level to make fault detection and repair easier. The project also includes upgrading efficiency of 17 gathering centers and three boosting stations.

Status: Closing date for submitting bids and proposals was November 21, 2004. Five international companies from Italy, Korea, Japan, and the United States are competing for the project.

Point of contact:

Mr. Farouk Al-Zanki
Chairman & Managing Director
Kuwait Oil Company (KOC)
Tel: 965 3982929
Fax: 965 3982233

Olefins II

17. Name of Project: Olefins II Project (Equate II)
End-User: Petrochemical Industries Co. (PIC)
Estimated Cost: \$ 1.4 billion

Scope of Work: Building a complex to produce 850,000 tons/year of ethane, 600,000 tons/year of glycol ethylene oxide, 400,000 tons/year of polyethylene, and 400,000 tons/year of styrene.
Status: Companies invited to bid for ethylene EPC contract should submit their proposals before January 16, 2005. Fluor was selected on November 20, 2004 to be the project manager. Societe General is the project's financial consultant. The French Technip offers the technological services relevant to ethylene.

Note: The project is a joint venture between PIC, Dow Chemical and a newly-established company (under incorporation now) called Al-Qurain that represents the private sector.

Aromatics Plant

18. Name of Project: Aromatics Plant
End User: PIC
Cost: About US\$800 million

Scope of Work: Building a new industrial complex to produce 650 thousand tons/year of paraxylene and benzene.
Status: Bechtel is the project manager. Six companies were pre-qualified for the EPC contract. Invitations to submit offers will take place in the last quarter of 2005.

Al-Zour North Power Station

19. Name of Project: Al-Zour North Thermal Power Station
End User: Ministry of Energy (formerly, Electricity & Water)
Estimated Cost: \$ 2.2 billion

Project Consultant: Parsons Brinckerhoff (U.S.)
Scope of Work: To design and construct a power station with a total capacity of 5 x 500 MWe units, and steam supply to a multi-system flash distillation plant (to be designed and constructed in a completely different tender by other firms) of 125 million imperial gallons per day capacity.
Status: Pre-qualification announcement went out on June 21, 2004. There have been three extensions of the closing date so far; the latest date is December 4, 2004. After submitting proposals, 3-5 months are needed by the Ministry of Energy for study and evaluation.
Point of Contact:
Mr. Humoud Al Enezi
Asst. Undersecretary for Power Plants
Tel: 965 537 1772
Fax: 965 537 1880
LEBARON